

UTILITY SALES AGREEMENT FOR NON-FEDERAL ORGANIZATIONS

Utility Sales Agreement No. _____ entered into this _____ day of _____, 19____,
by and between _____ Air Force Base, (hereinafter called the government), represented by the
base civil engineer (BCE) executing this agreement and
(hereinafter called the purchaser).

WITNESSED THAT:

WHEREAS, the government has _____
_____ service(s) (hereinafter called utility service) available; and,

WHEREAS, the purchaser cannot readily obtain such utility service from any other source and desires to obtain such utility
service from the government for use at _____
(Name and address of facilities.)

_____ and,

WHEREAS, construction of facilities in connection with the sale of such utility service to the purchaser will not hinder the construction of public or private utility service
facilities of a like nature; and

WHEREAS, pursuant to Title 10 U.S.C. 2481, chapter 147, When and to Whom DoD May Sell Utility Services, the government
is authorized to sell such Utility service to the purchaser;

NOW, THEREFORE, the parties hereto do mutually agree as follows:

- 1. UTILITY SERVICES TO BE PROVIDED.** From and after the effective date of this agreement, the government will furnish, subject to the limitation hereinafter provided, and the purchaser will receive and pay for such utility services as described in Exhibit A, Utility Service Specifications, attached hereto and made a part hereof. Such service is furnished on a purely temporary basis as an accommodation to the purchaser and subject to being (a) available in excess of government requirements, (b) not available from another source, and (c) in the interest of national defense or in the public interest. The government shall not be obligated to provide continuous utility service nor does it guarantee quality or quantity of utility service to be provided.
- 2. LIABILITY.** The purchaser shall hold and save the government, its officers, agents, and employees, harmless from liability of any kind, for or on account of any claim or action that may be asserted in connection with the services furnished under this agreement, including, but not limited to, failure to provide continuous utility service, curtailment of utility service, or termination of utility service.
- 3. USE OF SERVICE.** The purchaser shall use the utility service set forth herein in such a manner as not to interfere with, or disrupt in any way, the requirements of the government or of any other purchaser served by the government. Such service shall be for the exclusive use of the purchaser and shall not be used for resale except to contractors performing work on the purchaser's facilities. The purchaser shall use the utility service economically and comply with all conservation procedures in effect throughout the installation.
- 4. LICENSE FOR FACILITIES.** The government hereby grants to the purchaser a license to enter upon government property and use a site or sites to be agreed upon between the parties hereto upon which the purchaser shall install, operate, and maintain the required facilities necessary for obtaining utility service; and such license shall continue in effect until termination of this agreement. Upon termination of utility service contemplated herein, the purchaser, at purchaser's expense, shall remove promptly all facilities for obtaining utility service installed by the purchaser on the government installation and shall restore government land and facilities to their original condition. If the purchaser fails to so remove such facilities within ninety (90) days, they will be deemed to be abandoned and become government property.
- 5. FACILITIES TO BE PROVIDED.** The government shall not be obligated in any way for the cost of making connections for purchaser's service. Purchaser shall, at purchaser's expense, furnish, install, operate, and maintain all facilities required to obtain service, including suitable metering and regulating equipment and service connections to the government's utility system. Plans for all such facilities shall be subject to the approval of the BCE, and the installation of such facilities shall be subject to the BCE's supervision.
- 6. RECAPTURE.** In the event this agreement is terminated in accordance with the terms hereof, the government shall have the right to recapture immediately any utility facility it may have furnished in connection with the sale of any utility service to the purchaser.
- 7. COVENANT AGAINST CONTINGENT FEES.** The purchaser warrants that no person or selling agency has been employed or retained to solicit or obtain this agreement upon an agreement or understanding for a contingent fee, except a bona fide employee or agency. For breach or violation of this warranty, the government shall have the right to annul this contract without liability.
- 8. RATES AND PAYMENT.** For all utility service furnished to the purchaser under this agreement, the purchaser shall pay the government at the rates specified in AF Form 3555, Utility Sales Rates, Exhibit B, attached hereto and made a part hereof.

Whenever the sales rates require adjustment, the purchaser will be provided a new Exhibit B showing the new rates and the date the new rates are effective. Public schools shall be charged at the cost to the government of supplying the service computed according to AFI 32-1061 by the BCE. Credit unions, banks, and other non-federal organizations shall be charged at the local prevailing rate for similar service, but not less than the cost to the government of supplying the service. The local prevailing rate is the current rate the purchaser would be charged for a particular class of service if the service could be obtained directly from the nearest off base utility supplier. If, during the life of this agreement, there should be either a change in the applicable local prevailing rates or in the cost to the government of supplying the service, the rates set forth herein will be adjusted as required to conform therewith. Costs to the government for supplying the service are recalculated for each utility service not later than 1 December of each year, using prior fiscal year cost data and at any time the purchased cost to the government change. New rates to the purchaser shall become effective on 1 December each year and on the date a change in purchased cost to the government becomes effective or on the effective date of any change in the applicable local prevailing rate. The government agrees to furnish, subject to the conditions set forth herein, and the purchaser agrees to take and pay for such service at the adjusted rates from and after the date the adjusted rates are made effective. Should the government be billed on the basis of a proposed rate increase, subject to approval of a regulatory body, the purchaser shall be billed accordingly. If the proposed rate is subsequently denied or reduced, then any refund due the purchaser will be applied against future billings. The government will render invoices to the purchaser. All invoices for utility services will be due and payable 30 days after the date of said invoice. Late payment charge at the rate specified in DoD 7000.14R, Volume 10, will apply if payment is not received within 30 days after the date of invoice. Once the purchaser fails to make timely payments, the purchaser agrees to make all future payments at least 30 days in advance of monthly service.

9. **METERING.** A meter shall be installed, at purchaser's expense, when the total cost to install the meter does not exceed the estimated gross revenue for one year. In the event a meter fails to register during any metering period, the daily average consumption of any previous period representative of the period the meter failed will be used. Meters shall be tested in accordance with local commercial practices. When a meter is not installed a detailed engineering estimate shall be made, and updated by 1 December each year, by the base utility engineer to determine consumption. The purchaser shall notify the base utility engineer within thirty (30) days of any change affecting estimated consumption; such as more or less square feet of area occupied, or more or less equipment installed that consumes energy.

10. **DISPUTES.** Any dispute arising under this utility sales agreement, not resolved by mutual agreement between the purchaser and the BCE, shall be decided by the installation commander, who shall manifest his decision in writing and mail, or otherwise furnish a copy thereof, to the purchaser. The decision of the installation commander shall be final and conclusive. Pending final decision of a dispute, utility service shall continue and be paid for under the terms and conditions set forth in this agreement.

11. **TERMINATION.** Service under this agreement may be terminated by either party by providing thirty (30) days, advance, written notification to the other party. However, in the event of a national emergency proclaimed by the President, the government may terminate this agreement immediately without such advance notice. It is further mutually agreed that this agreement will be terminated at such time as, (a) the service contemplated herein becomes readily available from another source, or (b) the installation furnishing said service becomes inactive, or (c) the government no longer has facilities and/or personnel available to supply the service, or (d) the government can no longer supply such service as surplus to its own needs.

12. **APPROVAL.** This agreement shall be subject to the written approval of the installation commander and shall not be binding until so approved.

13. **AGREEMENT CONTENTS.** Attached to and made a part of this agreement are: (a) Utility Service Specifications, Exhibit A-1 through A-_____, and (b) AF Form 3555, Utility Sales Rates, Exhibit B.

IN WITNESS WHEREOF, the parties hereunto have executed this agreement as of the day and year first above written.

(Name of Purchaser)

(Name of BCE Organization)

(Purchaser Address)

(BCE Address)

(Purchaser City, State and Zip Code)

(Name of Base, State and Zip Code)

(Purchaser Area Code and Phone Number)

(BCE Area Code and Phone Number)

(Signature of Purchaser)

(Signature of Base Civil Engineer)

(Signature of Installation Commander)

EXHIBIT A-1 ELECTRIC SERVICE SPECIFICATIONS

ATTACHED TO AND MADE A PART OF UTILITY SALES CONTRACT NO. _____

DATE _____

1. ESTIMATED ELECTRIC SERVICE:

Estimated maximum demand: _____ kw.

Estimated annual consumption: _____ kwh.

(Neither party is obligated to deliver or receive, nor is it restricted to, the above estimates.)

2. DESCRIPTION OF ELECTRIC SERVICE.

The government will supply _____ phase,

_____ wire, _____ hertz, plus or minus 0.5 hertz,

alternating current at _____ volts.

3. POINT OF DELIVERY

The point of delivery of electric service will be _____

4. METERING.

Electric service will be measured at _____ volts by _____ watt-hour

meter(s) and _____ demand meter(s). *(Reword if consumption is estimated.)*

5. ALTERATIONS AND ADDITIONS.

NOTE: A watt is a unit of measurement. A thousand watts (kw) is the smallest unit we measure. If you turn on a thousand watt light bulb and keep it on one hour, you have consumed one kilowatt-hour (kwh) of energy. The total number of kwh consumed during your monthly billing cycle represents your consumption, total energy used. The kilowatt-hour (energy) rate is the amount to be paid per unit of energy (kwh) consumed. 1,000 kwh = 1 MWH. 1 MWH = 3,413,000 BTU.

EXHIBIT A-2 NATURAL GAS SERVICE SPECIFICATIONS

ATTACHED TO AND MADE A PART OF UTILITY SALES CONTRACT NO.

DATE

1. ESTIMATED NATURAL GAS SERVICE:

Estimated annual consumption: _____ MCF (MCF = 1,000 cubic feet).
(Neither party is obligated to deliver or receive, nor is it restricted to, the above estimates.)

2. QUALITY OF GAS. The government will supply the purchaser with gas of similar characteristics as the gas obtained by the government from its supplier.

3. POINT OF DELIVERY The point of delivery of gas will be at the point of connection with the government's gas line located at _____

4. METERING. Gas will be measured by _____ flow meter(s). (Reword if consumption is estimated.)

5. ALTERATIONS AND ADDITIONS.

NOTE: A cubic foot of gas = one cubic foot of gas at a temperature of 60°F (degrees Fahrenheit), a pressure of 14.73 psia (pounds per square inch absolute), and as delivered water vapor content. One British Thermal Unit (BTU) = Heat required to raise the temperature of one pound of water through 1°F.

1 cubic foot = ± 1,000 BTU
1 MCF or KCF = 1,000 cubic feet
1 MMCF = 1,000,000 cubic feet
1 decatherm (DTH) = 1,000,000 BTU = 1 MMBTU

1 BTU = 1,055 joules (it)
1 Therm = 100,000 BTU
1 Therm = 105.5 megajoules
1 megajoule = 947.99 BTU

EXHIBIT A-3 STEAM SERVICE SPECIFICATIONS

ATTACHED TO AND MADE A PART OF UTILITY SALES CONTRACT NO.

DATE

1. ESTIMATED STEAM SERVICE:

Estimated annual consumption: _____ pounds (+ _____ BTU per pound).
(Neither party is obligated to deliver or receive, nor is it restricted to, the above estimates.)

2. DESCRIPTION OF STEAM SERVICE.

The government will supply the purchaser with the same quality of

steam obtained by the government from its source of steam. The pressure will be that normally maintained in the government's steam line at the point of delivery, approximately _____ pounds per square inch gauge.

3. POINT OF DELIVERY.

The point of delivery of steam will be at the point of connection with the government's

steam line located at _____

4. METERING.

Steam will be measured by _____

meter.*

5. ALTERATIONS AND ADDITIONS.

*Rework if consumption is estimated. Condensate meters may be used when the purchaser's facilities for metering and use of steam are so constructed and operated that no steam escapes and the condensate from all steam supplied to the purchaser passes through the meter.

EXHIBIT A-4 HIGH TEMPERATURE HOT WATER (HTHW) SPECIFICATIONS

ATTACHED TO AND MADE A PART OF UTILITY SALES CONTRACT NO.

DATE

1. ESTIMATED HIGH TEMPERATURE HOT WATER SERVICE:

Estimated annual consumption: _____ (specify gallons or BTU) / + _____ BTU per pound).
(Neither party is obligated to deliver or receive, nor is it restricted to, the above estimates.)

2. DESCRIPTION OF HIGH TEMPERATURE HOT WATER SERVICE.

The government will supply the purchaser

with the same quality of HTHW obtained by the government from its source of HTHW. The HTHW pressure and

temperature will be that normally maintained in the government's HTHW line at the point of delivery, approx-

imately _____ pounds per square inch gauge and approximately _____ degrees Fahrenheit (°F).

3. POINT OF DELIVERY.

The point of delivery of steam will be at the point of connection with the government's

steam line located at _____

4. METERING.

HTHW will be measured by

(Reword if consumption is estimated.)

_____ meter(s).

5. ALTERATIONS AND ADDITIONS.

EXHIBIT A-5 POTABLE WATER SERVICE SPECIFICATIONS

ATTACHED TO AND MADE A PART OF UTILITY SALES CONTRACT NO.

DATE

1. ESTIMATED POTABLE WATER SERVICE:

Estimated annual consumption: _____ KGAL (KGAL = 1,000 gallons).
(Neither party is obligated to deliver or receive, nor is it restricted to, the above estimates.)

2. QUALITY OF POTABLE WATER.

The government will supply the purchaser with the same quality of potable

water as the water obtained by the government from its supplier or source of water.

3. POINT OF DELIVERY.

The point of delivery of potable water will be at the point of connection with the

government' potable water line located at _____

4. METERING.

Potable water will be measured by

_____ flow meter(s).

(Reword if consumption is estimated.)

5. ALTERATIONS AND ADDITIONS.

EXHIBIT A-6 SEWAGE SERVICE SPECIFICATIONS

ATTACHED TO AND MADE A PART OF UTILITY SALES CONTRACT NO.

DATE

1. ESTIMATED SEWAGE SERVICE:

Estimated annual consumption: _____ KGAL (KGAL = 1,000 gallons).
(Neither party is obligated to deliver or receive, nor is it restricted to, the above estimates.)

2. SERVICE TO BE RENDERED. The sewage to be received, carried, and disposed of, hereunder, shall be such as is customarily received at the government's or the government's supplier's sewage treatment plant and shall not contain any material which would cast an unusual burden upon the said sewage treatment plant or interfere with the operation of the government's sewage system.

3. POINT OF DELIVERY. The sewage will be delivered to the government's sewage system by the purchaser at

4. METERING. (Complete the sentence that applies.)

- a. The quantity of sewage received by the government will be taken as _____ percent of the quantity of water used by the purchaser. (Use 70% to 90%, depending on amount of water used for industrial or irrigation purposes.)
- b. The sewage received by the government will be measured by _____ flow meter(s).

5. ALTERATIONS AND ADDITIONS.

EXHIBIT A-7 REFUSE COLLECTION AND DISPOSAL SERVICE SPECIFICATIONS

ATTACHED TO AND MADE A PART OF UTILITY SALES CONTRACT NO.

DATE

1. ESTIMATED REFUSE COLLECTION AND DISPOSAL SERVICE:

Estimated quantity of refuse: _____ (specify whichever unit of measurement that is more accurate, such as total number of cubic yards, tons, cans, dumpsters, or pickups.)

Frequency of collections: _____
(Neither party is obligated to deliver or receive, nor is it restricted to, the above estimate.)

2. SERVICE TO BE RENDERED. When placed by the purchaser as described in paragraph 3 below, such refuse shall be collected and disposed of by the government in the same manner in which all refuse disposal service is provided on the military installation. The refuse to be received and disposed of hereunder shall be such as is customarily received at the government's sanitary fill or other place of disposal, as may be designated from time-to-time, and shall not contain any material which will impose an unusual burden upon the normal disposal operations of the government.

3. POINT OF DELIVERY. The refuse shall be delivered to the government by the purchaser to:

4. ALTERATIONS AND ADDITIONS.